

MAISON DES AMI OF LOUISIANA, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010 AND 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/6/11

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DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

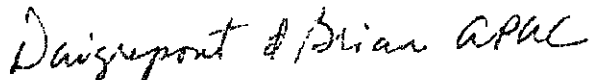
To the Board of Directors
Maison des Ami of Louisiana, Inc.
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of Maison des Ami of Louisiana, Inc. (a non-profit organization), as of June 30, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maison des Ami of Louisiana, Inc. as of June 30, 2010 and 2009, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2010, on our consideration of Maison des Ami of Louisiana, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Daigrepont & Brian
A Professional Accounting Corporation

December 21, 2010

MAISON DES AMI OF LOUISIANA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current Assets		
Cash	\$ 31,901	\$ 14,707
Grants receivable	70,929	43,191
Prepaid expenses	1,035	13,460
Deposits	<u>1,795</u>	<u>1,795</u>
Total Current Assets	105,660	73,153
Property, plant and equipment (net)	<u>328,960</u>	<u>349,204</u>
Total Assets	<u>\$ 434,620</u>	<u>\$ 422,357</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 3,705	\$ 3,120
Payroll and related liabilities	15,961	16,985
Notes payable – short term	26,000	32,236
Current portion of long term debt	17,970	18,197
Other current liabilities	194	1,820
Delinquent payroll taxes, penalties and interest	<u>18,744</u>	<u>14,760</u>
Total Current Liabilities	82,574	87,118
Long term debt, net of current portion	<u>104,870</u>	<u>122,577</u>
Total Liabilities	187,444	209,695
Net Assets		
Unrestricted net assets	216,329	180,065
Temporarily restricted net assets	<u>30,847</u>	<u>32,597</u>
Total Net Assets	<u>247,176</u>	<u>212,662</u>
Total Liabilities and Net Assets	<u>\$ 434,620</u>	<u>\$ 422,357</u>

See accompanying notes and auditors' report

MAISON DES AMI OF LOUISIANA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Resident rents	\$ 201,714	\$ -	\$ 201,714
Grants and contracts	296,432	-	296,432
Donations – cash	32,819	-	32,819
Donations – noncash	48,271	-	48,271
Interest income	37	-	37
Other income	2,493	-	2,493
Net assets released from restriction	<u>1,750</u>	<u>(1,750)</u>	<u>-</u>
Total Revenues	<u>583,516</u>	<u>(1,750)</u>	<u>581,766</u>
EXPENSES			
Program service	428,278	-	428,278
Management and general	<u>118,974</u>	<u>-</u>	<u>118,974</u>
Total Expenses	<u>547,252</u>	<u>-</u>	<u>547,252</u>
CHANGE IN NET ASSETS	36,264	(1,750)	34,514
Net assets – beginning of year	<u>180,065</u>	<u>32,597</u>	<u>212,662</u>
Net assets – end of year	<u>\$ 216,329</u>	<u>\$ 30,847</u>	<u>\$ 247,176</u>

See accompanying notes and auditors' report

MAISON DES AMI OF LOUISIANA, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Resident rents	\$ 185,248	\$ -	\$ 185,248
Grants and contracts	294,147	45,898	340,045
Donations – cash	6,062	-	6,062
Donations – noncash	54,626	-	54,626
Interest income	541	-	541
Other income	3,475	-	3,475
Debt forgiveness	20,000	-	20,000
Net assets released from restriction	<u>21,098</u>	<u>(21,098)</u>	<u>-</u>
Total Revenues	<u>585,197</u>	<u>24,800</u>	<u>609,997</u>
EXPENSES			
Program service	526,977	-	526,977
Management and general	<u>179,510</u>	<u>-</u>	<u>179,510</u>
Total Expenses	<u>706,487</u>	<u>-</u>	<u>706,487</u>
CHANGE IN NET ASSETS	(121,290)	24,800	(96,490)
Net assets – beginning of year	<u>301,355</u>	<u>7,797</u>	<u>309,152</u>
Net assets – end of year	<u>\$ 180,065</u>	<u>\$ 32,597</u>	<u>\$ 212,662</u>

See accompanying notes and auditors' report

MAISON DES AMI OF LOUISIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Accounting	\$ -	\$ 20,463	\$ 20,463
Bank charges	-	6,283	6,283
Bus fare	53	-	53
Cable service	2,184	2,184	4,368
Contract labor	-	550	550
Depreciation	17,815	4,179	21,994
Dues and renewal fees	-	677	677
Electricity	15,705	3,684	19,389
Equipment lease	-	2,427	2,427
Food	77,871	-	77,871
Housekeeping supplies	1,952	-	1,952
Inspection fees	482	113	595
Insurance	14,520	3,406	17,926
Interest	8,009	1,879	9,888
Kitchen supplies	564	-	564
Medical	30	-	30
Miscellaneous operating costs	635	150	785
Office supplies	-	920	920
Payroll taxes	22,178	5,202	27,380
Penalties	-	4,541	4,541
Pest control	650	152	802
Postage	-	144	144
Repairs and maintenance	7,538	1,768	9,306
Salaries and wages	250,161	58,733	308,894
Security	515	121	636
Staff training and meetings	1,455	-	1,455
Waste disposal	3,135	735	3,870
Water	2,826	663	3,489
	<u>\$ 428,278</u>	<u>\$ 118,974</u>	<u>\$ 547,252</u>

See accompanying notes and auditors' report

MAISON DES AMI OF LOUISIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Accounting	\$ -	\$ 12,140	\$ 12,140
Bank charges	-	4,749	4,749
Bus fare	845	-	845
Cable service	1,378	1,378	2,756
Contract labor	-	12,422	12,422
Depreciation	16,244	6,008	22,252
Dues and renewal fees	-	572	572
Electricity	20,900	7,730	28,630
Employee awards	860	-	860
Equipment lease	-	2,548	2,548
Food	111,455	-	111,455
Housekeeping supplies	6,584	-	6,584
Inspection fees	1,108	410	1,518
Insurance	20,597	7,619	28,216
Interest	5,770	2,134	7,904
Kitchen supplies	1,377	-	1,377
Medical	53	-	53
Miscellaneous operating costs	1,336	6,032	7,368
Miscellaneous resident costs	13,407	-	13,407
Office supplies	-	4,806	4,806
Payroll taxes	26,114	9,658	35,772
Pest control	767	283	1,050
Postage	-	379	379
Repairs and maintenance	11,862	4,388	16,250
Salaries and wages	277,131	90,697	367,828
Security	492	182	674
Staff training and meetings	1,873	-	1,873
Telephone	785	3,142	3,927
Waste disposal	2,911	1,076	3,987
Water	3,128	1,157	4,285
	<u>\$ 526,977</u>	<u>\$ 179,510</u>	<u>\$ 706,487</u>

See accompanying notes and auditors' report

MAISON DES AMI OF LOUISIANA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 34,514	\$ (96,490)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Depreciation	21,994	22,252
(Increase) decrease in accounts receivable	(27,738)	19,601
(Increase) decrease in prepaid expenses	12,425	(843)
Increase in accounts payable and other current liabilities	4,458	2,933
Decrease in accrued liabilities	<u>(2,539)</u>	<u>(43,844)</u>
Net cash provided by (used in) operating activities	43,114	(96,391)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash payments for purchase of property	<u>(1,750)</u>	<u>(25,185)</u>
Net cash used in investing activities	(1,750)	(25,185)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of long term debt	-	150,000
Proceeds from the issuance of short term debt	-	32,236
Principal payments on long term debt	(17,934)	(83,465)
Principal payments on short term debt	<u>(6,236)</u>	<u>(12,498)</u>
Net cash provided by (used in) financing activities	(24,170)	86,273
Net increase (decrease) in cash	17,194	(35,303)
CASH, BEGINNING OF YEAR	<u>14,707</u>	<u>50,010</u>
CASH, END OF YEAR	\$ <u>31,901</u>	\$ <u>14,707</u>
Supplemental disclosure – cash paid for interest	\$ <u>9,888</u>	\$ <u>7,904</u>

See accompanying notes and auditors' report

**MAISON DES AMI OF LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

1. Summary of Significant Accounting Policies

Nature of Operations

Maison des Ami, Inc. was incorporated as a non-profit corporation on October 20, 1990 and the articles were amended on February 2, 1992 to become Maison des Ami of Louisiana, Inc. (the Organization). The Organization provides shelter, meals, transportation and medication supervision to the mentally ill and developmentally deficient in Baton Rouge, Louisiana. Support for the Organization comes from the Louisiana Department of Health and Hospitals, the City of Baton Rouge, East Baton Rouge Parish, residents living in the home, contributions from individuals, corporations, and other non-profit organizations.

Basis of Accounting

The financial statements of Maison des Ami of Louisiana, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statements are prepared in accordance with generally accepted accounting principles promulgated in the United States of America for not-for-profit organizations. The Organization reports information about its financial position and activities using three classes of net assets that recognize the existence and nature of restrictions on its net assets.

Unrestricted net assets represent resources over which the Board of Directors has unlimited discretionary control to use in carrying out the activities of the organization in accordance with the Articles of Incorporation and bylaws.

Temporarily restricted net assets represent resources over which use is limited by donor-imposed restrictions that will be met either by actions of the organization or by passage of time.

Permanently restricted net assets represent resources whose use is limited by donor-imposed restrictions that require the net assets to be maintained permanently.

Restricted and Unrestricted Support

Contributions received are recorded as temporarily restricted, permanently restricted or unrestricted support depending on the nature of any donor restriction. Contributions made to the Organization are considered available for unrestricted use unless specifically restricted by the donor. Contributions of property and equipment are reported as unrestricted contributions when placed in service unless the donor has restricted the use of the asset to a specific purpose or time period. Contributions of cash or other assets are unrestricted when acquired and placed in service, unless the donor has also required that the asset be used for a specific purpose or time period.

All restricted support is reported as an increase in temporarily or permanently restricted net assets. However, support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is received. When a restriction expires, such as when a stipulated time period ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

MAISON DES AMI OF LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

1. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with a maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value due to the short maturities of those financial instruments.

Accounts Receivable

Accounts receivable consists of amounts due from federal, state and local governments, as well as, other non-profit organizations. Management believes that all accounts receivable as of the balance sheet dates are collectible and thus no allowance for doubtful accounts is necessary.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Subsequent Events

The Organization has evaluated subsequent events through December 21, 2010, the date the financial statements were available to be issued, for recording and disclosure.

2. Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for betterments that materially prolong the useful lives of assets are capitalized and are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	30 years
Furniture and fixtures	5 years
Machinery and equipment	5 years

Property and equipment consists of the following:

	2010	2009
Buildings and improvements	\$ 492,902	\$ 491,152
Furniture and equipment	56,803	56,803
Machinery and equipment	47,372	47,372
Land	60,703	60,703
	657,780	656,030
Accumulated depreciation	(328,820)	(306,826)
	<u>\$ 328,960</u>	<u>\$ 349,204</u>

MAISON DES AMI OF LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

3. Notes Payable

Long term notes payable consists of the following:

	<u>2010</u>	<u>2009</u>
Note dated October 14, 2008 with an original balance of \$150,000, due in monthly payments of \$2,117 on the 14 th of the month with an interest rate of 6.5%. The note is secured by an interest in the Organization's facility.	\$ 122,840	\$ 140,774
Less current installments	<u>(17,970)</u>	<u>(18,197)</u>
	<u>\$ 104,870</u>	<u>\$ 122,577</u>

Maturities of long term notes payable are as follows:

2011	\$ 17,970
2012	19,173
2013	20,457
2014	21,827
Thereafter	<u>43,413</u>
	\$ 122,840

The organization also has a short term note in the amount of \$26,000 with an original date of April 16, 2009, due in a lump sum plus interest of 3% 180 days from the date of issue. During the year the note was extended 90 days and then extended another 365 days from the original due date. The note carries the same terms and is now due January 11, 2011.

4. Related Party Transactions

With approval from the board of directors, the Organization obtained a short term note payable from one member of the board in the amount of \$26,000. The purpose of the note was to obtain bridge funding while the Organization waits on payments from its contract billings. See Footnote 3 for more information on the note.

5. Leasing Arrangements

For the year ended June 30, 2010 the Organization had an operating lease for equipment. The lease calls for payments of \$125 per month for 60 months beginning on October 20, 2006.

Future lease payments are as follows:

2011	\$ 1,500
2012	375

6. In-Kind Contributions

For the years ended June 30, 2010 and 2009 the Organization received food for residents from the Baton Rouge Food Bank valued at \$46,900 and \$40,945, respectively. The Organization also received supplies and clothing from various other donors valued at \$1,371 and \$13,681 for the years ended June 30, 2010 and 2009, respectively. These in-kind contributions are recorded as revenue with the offset recorded as in-kind expense.

**MAISON DES AMI OF LOUISIANA, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

7. Concentrations of Revenue and Receivables

For the year ended June 30, 2010 approximately 30% and 26% of the organization's revenue is from funding provided by HUD and the Capital Area Human Services District, respectively. Approximately 74% and 18% of accounts receivable are from HUD and the Capital Area Human Services District, respectively.

For the year ended June 30, 2009 approximately 25% and 18% of the organization's revenue is from funding provided by HUD and the Capital Area Human Services District, respectively. Approximately 60% and 18% of accounts receivable are from HUD and the Capital Area Human Services District, respectively.

8. Temporarily Restricted Net Assets

The Organization has net assets restricted for the following purposes:

The Organization received a grant from the Baton Rouge Area Foundation in the amount of \$15,000 for the purposes of hiring a licensed clinical social worker. As of June 30, 2010 \$7,796 has not yet been spent for its intended purpose.

The Organization received a grant from the Wilson Foundation in the amount of \$35,898 for interior and exterior facility improvements. As of June 30, 2010 \$23,051 has not yet been spent for its intended purpose.

9. Debt Forgiveness

During the year ended June 30, 2009 the IRS forgave \$20,000 in accrued penalties that were attributable to issues with prior years' tax returns. This amount has been recorded as income from debt forgiveness in the Statement of Activities and Changes in Net Assets.

10. Prior Period Adjustment

An error resulting in an overstatement of temporarily restricted net assets was discovered during the year ended June 30, 2010. The corrections resulted in an increase in unrestricted restricted net assets and a decrease in temporarily restricted net assets as follows:

Unrestricted net assets, June 30, 2009, as previously stated	\$ 173,773
To record release of restrictions on temporarily restricted net assets in a prior period	<u>6,292</u>
Unrestricted net assets, June 30, 2009, as restated	<u>\$ 180,065</u>
Temporarily restricted net assets, June 30 2009, as previously stated	\$ 38,889
To record release of restrictions on temporarily restricted net assets in a prior period	<u>(6,292)</u>
Temporarily restricted net assets, June 30 2009, as previously stated	<u>\$ 32,597</u>

11. Noncompliance with Grantor Restrictions

During the year ended June 30, 2010 the Organization allowed its liability insurance to lapse. Maintaining liability insurance coverage is a requirement under the terms of funding contract. No provision has been made for any liabilities that may arise out of this noncompliance. Subsequent to year end the Organization obtained appropriate coverage under the terms of the funding contract.

DAIGREPONT & BRIAN

A Professional Accounting Corporation

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Maison des Ami of Louisiana, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of Maison des Ami of Louisiana, Inc., (a non-profit organization) as of June 30, 2010 and 2009, and for the years then ended, and have issued our report thereon dated December 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Maison des Ami of Louisiana, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maison des Ami of Louisiana, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We identified deficiencies in internal control over financial reporting, described below, that we consider a material weakness in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the material weaknesses identified below to also be significant deficiencies.

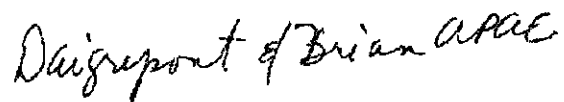
Maison des Ami of Louisiana, Inc. does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes. The Organization relies on its auditors to assist in adjusting the books and to assist in the preparation of external financial statements and related disclosures. Under U.S. generally accepted auditing standards, the auditors cannot be considered part of the Organization's internal control structure, and because of limitations of the Organization's staff, the design of the internal control structure does not otherwise include procedures to prevent or detect a material misstatement in the external financial statements. We suggest management obtain the technical knowledge and tools necessary to prepare the external financial statements. This might be accomplished through staff development or hiring, as well as outsourcing the functions.

Maison des Ami of Louisiana, Inc. did not comply with the requirement from one contracting agency regarding maintaining liability insurance coverage for the duration of the contract. Compliance with such requirements is necessary, in our opinion, for Maison des Ami of Louisiana, Inc. to conform to the terms and conditions applicable to the contract.

Compliance

As part of obtaining reasonable assurance about whether Maison des Ami of Louisiana, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described above and reported to management in a separate letter dated December 21, 2010.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Daigrepont & Brian
A Professional Accounting Corporation

December 21, 2010

CORRECTIVE ACTION PLAN

Finding 2010-1

Maison des Ami of Louisiana, Inc. does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes. The Organization relies on its auditors to assist in adjusting the books and to assist in the preparation of external financial statements and related disclosures. Under U.S. generally accepted auditing standards, the auditors cannot be considered part of the Organization's internal control structure, and because of limitations of the Organization's staff, the design of the internal control structure does not otherwise include procedures to prevent or detect a material misstatement in the external financial statements.

Response

Maison des Ami of Louisiana, Inc. has evaluated the cost vs. benefit of establishing internal controls over the presentation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Finding 2010-2

Maison des Ami of Louisiana, Inc. did not comply with the requirement from one contracting agency regarding maintaining liability insurance coverage for the duration of the contract. Compliance with such requirements is necessary, in our opinion, for Maison des Ami of Louisiana, Inc. to conform to the terms and conditions applicable to the contract.

Response

Maison des Ami of Louisiana, Inc. has obtained the necessary policies and coverage to be in compliance with the terms of the contract.

Finding 2009-1

Maison des Ami of Louisiana, Inc. does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes. The Organization relies on its auditors to assist in adjusting the books and to assist in the preparation of external financial statements and related disclosures. Under U.S. generally accepted auditing standards, the auditors cannot be considered part of the Organization's internal control structure, and because of limitations of the Organization's staff, the design of



the internal control structure does not otherwise include procedures to prevent or detect a material misstatement in the external financial statements.

Response

Maison des Ami of Louisiana, Inc. has evaluated the cost vs. benefit of establishing internal controls over the presentation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Organization to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Finding 2009-2

Maison des Ami of Louisiana, Inc. did not comply with the requirements from two grantors regarding the spending of funds for their intended purpose. Compliance with such requirements is necessary, in our opinion, for Maison des Ami of Louisiana, Inc. to conform to the terms and conditions applicable to those grants.

Response

Maison des Ami of Louisiana, Inc. will develop the necessary policies and procedures to monitor and record the expenditure of grant funds.